

# Fact Sheet

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## Module 3: Interest Income

Interest is the charge for the use of borrowed money.

Money earns interest when it is

- deposited in accounts in banks, savings and loans, and credit unions.
- used to buy certificates of deposit or bonds.
- lent to another person or business.

Interest income may be taxable or tax-exempt.

Interest income is reported on Form 1099-INT.

All taxable interest income is reported on the taxpayer's return, even if it does not appear on Form 1099-INT.

☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112  <b>2007</b>  Form <b>1099-INT</b>	<b>Interest Income</b>
		1 Interest income \$		
		2 Early withdrawal penalty \$		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		4 Federal income tax withheld \$		5 Investment expenses \$
		6 Foreign tax paid \$		7 Foreign country or U.S. possession
		8 Tax-exempt interest \$		9 Specified private activity bond interest \$
Account number (see instructions)				

Form **1099-INT**

(keep for your records)

Department of the Treasury - Internal Revenue Service